



*Championing better  
work and working lives*

## **Good Work Plan: Proposals to support families – parental leave and pay**

---

Submission to Department for Business, Energy and Industrial Strategy

**Chartered Institute of Personnel and Development (CIPD)**



*Championing better  
work and working lives*

**October 2019**

## **Background**

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Our membership base is wide, with 60% of our members working in private sector services and manufacturing, 33% working in the public sector and 7% in the not-for-profit sector. In addition, 76% of the FTSE 100 companies have CIPD members at director level.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

## **Introduction**

The Government is consulting on Parental leave and pay reforms. The consultation sets out high level options for reforming existing entitlements such as the costs and benefits of different options for reforming parental leave in order to achieve greater equality in parenting and at work. In particular, the consultation looks at possible reforms to two types of parental leave: paternity leave and shared parental leave. The consultation is interested in the emphasis that should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave. When it comes to Shared Parental Leave and Pay the consultation is exploring, amongst other things, the aspects of the scheme that are most successful and the aspects of the scheme that are in most need of reform. The consultation also explores whether Shared Parental Pay should be enhanced and whether there should be a dedicated pot of leave and pay for each parent within the overall scheme.

Our responses to the consultation are outlined below. These are informed by evidence and insight gathered by a YOUNGOV/CIPD survey of 516 HR professionals, focus group/ insight gathering with some of our CIPD regional groups (such as Cumbria and Manchester) and

our previous work and guidance in the area of working parents and parental leave and pay.

## **Our response**

### **Section 1: Paternity leave and Pay**

This section seeks to explore Paternity Leave and Pay and the emphasis that should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave. It explores amongst other things, how this should be funded, what impact it might have and the timing and flexibility of any Paternity leave and Pay.

#### ***1. What emphasis should be placed on enhancing Statutory Paternity Pay versus the length of Paternity Leave available?***

We asked survey respondents if the Government were to introduce a statutory enhanced paternity pay and leave package, how long they think enhanced pay should be provided for and how long statutory pay and leave should be available for.

Respondents (42%) were most likely to say that statutory paternity LEAVE should be for 8 weeks. While almost a quarter (23%) felt it should be for 4 weeks and almost a fifth (18%) felt that it should be for 2 weeks. Again respondents were most likely to say that statutory PAY should be for 8 weeks (39%), with a quarter (25%) thinking it should be for 4 weeks and a fifth (20%) thinking it should be for 2 weeks. Those respondents working in smaller organisations (of less than 250 employees) were more likely (than those working in 250+ employee organisations) to say that statutory PAY and LEAVE should be for 2 weeks. When it comes to enhanced pay, around a third (32%) of respondents think this should be for 2 weeks, followed by just over a quarter (27%) pointing to 8 weeks. However, in total three-fifths (60%) believe that enhanced pay should be for four weeks or less. Finally, we asked respondents if the Government were to introduce a statutory enhanced paternity pay and leave package, what proportion of a person's average weekly earnings (before tax) enhanced pay should be. Respondents gave most support for this to be at either 90% (26%) or 100% (23%) of a person's average weekly earnings (before tax).

In August we also conducted a poll question on paternity leave and pay via the CIPD's e-update (with a sample of 658 HR professionals). The findings are broadly reflective of the above (see Appendix 1), with respondents most likely to support 2 weeks enhanced pay and leave followed by 2 weeks statutory pay and leave (30%) or 4 weeks enhanced pay and leave followed by 4 weeks statutory pay and leave (27%).

*Based on these findings, we think there should be equal emphasis on statutory pay and length of leave and would recommend that the Government consider introducing a period of between 4-8 weeks statutory paternity leave and pay. We would also recommend that at least 2 weeks of that time should be paid at a statutory enhanced rate (at 90% or 100% of a person's average weekly earnings (before tax)).*

## **2. What impact would changing either leave or pay have on our policy objectives?**

We believe that lengthening both statutory paternity leave and pay, as recommended above, would have a positive impact on all of the Government's policy objectives. In particular, we believe it is likely to lead to a greater number of people taking paternity leave, particularly if pay is enhanced – as financial concerns are cited as one of the top barriers<sup>1</sup>. Lengthening the period of leave would also support the policy objective of enabling women to recover from childbirth, which in many cases, is far from straight forward. We also believe that extending paternity leave and pay would significantly increase fathers' or partners' involvement in childcare by allowing them extra time to bond with their children, often at a very young age. Extending parental leave and pay would also give working families more choice and flexibility and could potentially help to facilitate women returning to and staying in work as it would provide parents with more time and support to put in place childcare arrangements that work for them.

However, we know that many fathers currently don't take the 2 week entitlement, so policy change needs to be supplemented with employer action to create a culture where fathers feel able to take the leave.

## **3. How should the costs of providing Paternity Leave and Pay be apportioned between Government, employers and parents?**

Our focus group respondents felt that Paternity Leave and Pay should be government funded to ensure a consistent approach across public and private and different sized organisations. On the whole they felt that the 'Government had a role to play in driving wider cultural change' around gender equality and shared parenting. Left solely to employers they acknowledged 'there would be patchy coverage and inequality', while what was needed was a 'wider cultural shift.'

**4. Could enhancing Statutory Paternity Pay and extending Paternity Leave result in differential impacts across families with different characteristics (e.g. families from different socio-economic groups or cultural backgrounds)?**

Focus group respondents felt that enhancing Statutory Paternity Pay in particular would encourage more families from lower socio-economic backgrounds to take paternity leave and potentially support fathers/ partners to play a more active role in early years' parenting in particular.

**5. Should support vary according to family characteristics, including income levels? For example, should there be a cap on Statutory Paternity Pay for high earners?**

Respondents are more likely to agree (57%) than disagree (22%) that there should be a cap (upper limit) on statutory paternity pay for high earners. Those respondents working in organisations with less than 250 employees are more likely to agree that there should be cap (63%) compared to those working in larger organisations of 250+ employees (51%). *However, with no current cap on statutory maternity pay for high earners it does not seem equitable to introduce this just for paternity pay. We therefore do not recommend that such a cap should be introduced, currently.*

**6. Should the level of reimbursement for employers vary according to their size (as now)?**

Respondents believe that the level of reimbursement for employers should vary according to their size as is currently the case. More than three-quarters (65%) agree with this, with just over a fifth (21%) disagreeing. There are no significant differences across size of organisation or sector for this question.

*We, therefore recommend that the level of reimbursement for employers should continue to vary according to their size.*

**7. How might businesses that already provide enhanced Paternity Pay respond to any enhancement to Statutory Paternity Pay? For example, would they extend the period of contractual leave and pay?**

This would depend on the individual circumstances of the organisation and their current offering.

If they were already offering beyond the proposed enhanced paternity pay then it is unlikely that they would seek to reduce their offering. Doing so could potentially damage their reputation and the understanding they have developed with employees around their policy. If it fell short, then they would need to potentially align themselves with the proposed changes.

**8. How should the timing of when leave can be taken be balanced between giving families choice and flexibility, and incentivising particular parental behaviours? For example, should fathers/partners be able to take leave and pay at any point in the first year or be required to take leave when the mother has returned to work to incentivise solo parenting?**

We asked the HR professionals we surveyed when they thought people should take paternity leave.

- Almost half of respondents (48%) thought that paternity leave should be taken at any point in the first year after birth.
- Just over a third (34%) felt that it should be taken before 56 days (around 8 weeks) after the birth (as is the current system)
- Just 6% opted for when the mother has returned to work (to give fathers the opportunity to solo parent).

*We recommend therefore, that greater flexibility should be introduced in the timing of taking paternity leave and that recipients be allowed to take the leave at any point in the first year of birth, but would be required to give appropriate notice to their organisation, so that they could arrange cover, re-scheduling etc.*

**9: How should we balance giving fathers/partners flexibility and choice (e.g. to take paternity leave in blocks) with the needs of employers and co-workers for certainty around when the father/partner is likely to be off work?**

Our focus group respondents would ‘encourage as much flexibility as possible within the constraints of managing the schemes.’ In particular it was felt it would be useful to have a ‘well communicated criteria balanced with business needs’ much like practices used by organisations to manage their flexible working schemes.

## **Section 2: Shared parental leave and pay**

This section seeks views on shared parental leave and pay: how it meets Government objectives, options for changing the different aspects of the scheme and the trade-offs and choices involved.

**10: What aspects of the current Shared Parental Leave and Pay scheme are most successful, and which are most in need of reform? Please give reasons for your answer.**

### Most successful aspects of current scheme

We asked respondents to rate the top 3 aspects of the current Shared Parental Leave and Pay scheme which they believe are most successful. Over two-fifths (43%) believe the flexibility of how the leave can be taken in conjunction with the other parent (i.e. off work together, sequentially or both) is a successful aspect of the current scheme. This is followed by almost two-fifths (39%) saying it encourages more equal distribution of caring responsibilities. The flexibility of the scheme is again highlighted as a successful aspect by almost a third (31%) in particular the flexibility of when leave can be taken within the first year after birth and adoption. A similar number (30%) believe the capacity to transfer leave from the mother to the other parent to be a successful aspect. Other successful parts of the scheme highlighted by around a fifth of respondents include statutory pay being available for shared parental leave (22%) and the length of leave that can be taken by the father/other parent (19%). Those working in larger organisations (250+ employees) are significantly more likely to highlight this last aspect than respondents working in smaller organisations.

### Aspects most in need of reform

When it comes to aspects of the current Shared Parental Scheme most in need of reform, respondents were again asked to pick their top three responses. Almost a third (30%) opted for changing the rate of statutory pay for SPL within the first 6 weeks to be 90% of your average weekly earnings. Those respondents working in the public sector (39%) were significantly more likely to choose this than those in the private sector (28%). Almost a quarter (24%) felt the eligibility criteria for who can take SPL needed reform and just over a fifth (21%) felt there needed to be reform/ access for fathers/ partners to 'use it or lose it' leave (their own pot of leave that's non-transferrable). Other aspects respondents felt should be considered for reform included:

- Sharing control over the scheme rather than mothers/ parent one controlling how leave is taken (16%)
- A dedicated pot of leave and pay for each parent which is not open to sharing, as well as a larger portion (e.g. 9 months) that can be shared (16%)

- The flexibility of Shared Parental Leave and the way it can be stopped and re-started (i.e., return to work after SPL, work and then take SPL again within the first year after birth or adoption) (15%)
- Reducing the number of block periods of Shared Parental Leave that can be taken (i.e., number of times someone can go on leave and then return to work) (15%)
- Changing the usage of weeks of Shared Parental Leave to allow for the usage of days (15%)
- How leave is allocated to the mother/partner 1 as maternity/ adoption leave and transferable to the father/ parent two as SPL if the mother/ parent one agrees (15%)

Additional CIPD question: Measures most likely to encourage new parents to use the SPL scheme.

We asked respondents an additional question around the measures they feel are likely to encourage new parents to use the Shared Parental Leave scheme. We feel this is a pertinent question considering the current low take-up of SPL. Around two-fifths of respondents (41%) felt that enhanced pay would act to encourage new parents. Almost a third (31%) felt that early knowledge of the scheme (for instance sharing information when a mother collects a MatB1 form) would also encourage new parents to use the scheme.

This is one of the recommendations in the CIPD's consultation response on extending pregnancy and maternity redundancy protection. Respondents also felt that better communication of the policy by both the Government (25%) and HR (23%) would help to encourage new parents to use SPL, in addition to more cultural acceptance in the employing organisation (22%) and more cultural acceptance in society (18%).

**11: Should there be a dedicated pot of leave and pay for each parent within the Shared Parental Leave and Pay scheme?**

As above, third on our respondents' list of reform for the SPL scheme is providing access for fathers/ partners to a 'use it or lose it' leave (their own pot of leave that is non-transferrable). Just over a fifth (21%) of our respondents believe this should be the case.

*We believe that the scheme would be more attractive to potential employees if there was a dedicated pot of leave and pay for each parent. This could help the Government's wider policy objectives of increasing fathers' or partners' involvement in childcare and providing working families with more choice and flexibility. There would need to be a concerted effort from policy makers and employers to help realise an increase in take-up.*

**12: Should mothers continue to be the 'gatekeeper' for the Shared Parental Leave and Pay scheme?**

*We would recommend that parents share control over the SPL scheme because this would reinforce that it is a truly shared approach.*

As discussed above, when asked about which parts of the current scheme are in most need of review, this was fourth popular of the reform options, with 16% indicating that there should be shared control over the scheme rather than mothers/ or partner one controlling how the leave is taken. However, our focus group respondents flagged that 'not all parents might have an amicable relationship' so this would also need to be taken into account when thinking about control and participation of the scheme.

**13: Should there be an element of pay enhancement in the Shared Parental Leave and Pay scheme?**

Our findings show that around two-fifths of respondents (41%) feel that enhanced pay would act to encourage new parents to use the SPL scheme. We agree. Financial challenges are one of the top reasons cited for barriers to parents taking SPL so enhancement would certainly make this a more attractive offering. This would obviously need to be balanced with what is affordable for organisations.

**17: How do you think organisations that already provide enhanced Shared Parental Pay should respond to any enhancement to Statutory Shared Parental Pay?**

This would depend on the individual circumstances of the organisation and their current offering.

If they were already offering beyond the proposed enhanced shared parental pay offering then it is unlikely that they would seek to change their offering and if it fell short then they would need to potentially align themselves with the proposed changes. Our respondents think that half (50%) would not do anything but a fifth feel they would extend the period of

contractual pay (20%) or reduce their current offering to the level of the enhanced level (20%) and almost a fifth (19%) believe they would extend the period of contractual leave.

### **Section 3: Maternity leave and pay**

This section seeks views on the implications for maternity leave and pay of potential reforms to paternity leave or shared parental leave.

#### ***18: Given your views on priorities for reform of Paternity Leave or Shared Parental Leave, are there any implications for maternity arrangements?***

We asked our respondents which parental leave and pay policies, if any, are most important for the Government to reform. The top three areas for reform, were:

Statutory Maternity Leave and Pay/ allowance	35%
Paternity Leave and Pay	34%
Shared Parental Leave and Pay	33%

Private sector (38%) respondents were significantly more likely to say that statutory maternity leave and pay/ allowance should be reformed compared to voluntary sector (24%) respondents.

Reforms to parental leave for older children were highlighted but to a much lesser extent (13%). Public sector respondents (21%) were significantly more likely to think change was needed in this area compared to those in the private (12%) and voluntary (8%) sectors. We haven't explored in this survey what reforms to maternity leave and pay/ allowance respondents would like to see but can explore this at a later date if helpful to the progression of this consultation.

Our focus group respondents on the whole felt that the current length of maternity leave and the level and extent of Statutory Maternity Pay worked well. Some wanted to see greater flexibility as to when maternity leave could be taken and others felt there should be better support in place after maternity leave such as proper 'returners' inductions' and 'phased options for return' – for example one respondent's organisation offers a phased return over 4 weeks on full pay.

## **Section 4: Parental leave for parents of older children**

This section seeks views on parental leave for parents of older children: how it meets our objectives, the balance between leave and pay for this set of parents, and options for reform.

***19: What aspects of the current arrangements for parental leave (which can be taken up to and including the child's 18th birthday) are most successful, and which are most in need of reform? Please give a reason for your answer.***

### Most Successful:

Our focus group respondents feel that 'the leave shows that the Government are trying to support options for parents at all stages of a child's development.' The leave allows parents of older children additional time with their children at important stages in their development such as starting a new school, in the lead up to exams or following personal challenges. Our focus group respondents suggested the leave is also often taken during the school summer holidays, the length of which are often not compatible with full or part-time work schedules.

### Most in need of reform:

Our focus group respondents felt that there was low awareness of the parental leave for parents of older children scheme. They felt that it should be better communicated by the Government and by employers.

They also felt that it was not necessarily fair because it was not funded – 'those that can afford to take it will but many cannot.' Others felt that the leave was sometimes inflexible i.e. the need for it to be taken in weeks rather than individual days. However, changing this could make work scheduling more difficult for employers.

***20: How should the Government balance the length of leave for parents of older children with the level of pay in order to incentivise take up?***

Our focus group respondents felt that there should be a paid element to this leave in order to encourage parents to take it up. They felt that the pay was potentially more important than the length of leave available.

21: Are there any other reforms to parental leave for older children that would support the Government's wider goals for parental leave policies?

Our focus group respondents felt the main areas in need of revision were the incorporation of a paid element and better general communication of the options by the Government and by employers. It's also important that communications should focus on the fact that parental leave is for both parents to use and to share parenting responsibility where possible.

## **Section 5: Towards a comprehensive suite of parental leave and pay policies**

This section seeks views on the high-level options and challenges of potential reforms to parental leave and pay.

### ***22: Do you agree with the Government's objectives for parental leave and pay policies?***

We support the Government's objectives for parental leave and pay policies, namely, a focus on:

- Increasing the uptake of paternity leave
- Enabling women to recover from birth
- Facilitating women returning to and staying in work
- Giving working families more choice and flexibility
- Increasing fathers' or partners' involvement in childcare
- Closing the employment and gender pay gaps
- Preventing pregnancy and maternity discrimination
- Preventing discrimination against parents who take or seek to take parental leave

We believe that it is necessary to balance these objectives with the Government's objective of minimising the burdens on business, which are already substantial (gender pay gap reporting, executive pay ratio reporting, potential ethnicity pay reporting, potential transparency reporting). Any reforms considered need to be properly consulted on with organisations and then piloted with lessons applied. They need to be easy to understand and to administer and well communicated.

### ***23: Do you think the Government should consider a more radical change – potentially moving to a single 'family' set of leave entitlements, or seek to reform the existing entitlements?***

We asked respondents whether the Government should consider a more radical change such as moving to a single 'family' set of leave entitlements. We provided an example of the Iceland model for this question, as below:

For example, in Iceland, there is no concept of 'maternity' or 'paternity' leave. A three-month quota of non-transferable ('use it or lose it') leave is given to the mother to be taken within a 24-month period. One month may be taken before birth and the remaining two months must be taken after birth (mothers are obliged to take two weeks off work immediately following the birth of their child). A similar period of three months is reserved for fathers/partners – except there is no obligatory period during which leave must be taken. In addition, parents have a shared right to another three months' leave which they can split between them as they wish.

Over half (51%) of respondents said yes, while a quarter said no and the remainder (23%) said that they didn't know. Those respondents working in organisations with 250+ employees (56%) were significantly more likely to say yes than those with less than 250 employees (46%).

These findings certainly show a willingness on behalf of employers to try out different approaches to parental leave and pay. Our focus group respondents were also supportive of 'bringing different entitlements together and communicating them from a holistic perspective.'

We would strongly recommend, however, that the government thoroughly consults with a diverse group of employers and employees on any proposed changes of this degree, explores the pro's and con's and that some of the lessons from the low take-up of the shared parental leave scheme are learnt and applied, namely -

- Keep it simple
- Provide clear and consistent communication to employers and employees
- Ensure early knowledge of the scheme for employees
- Include an element of enhanced pay for both parents
- Keep the burdens on business to a minimum.

**24: If we were to move to a new model for parental leave and pay, which areas for reform are most important? Please give a reason for your answer.**

**A. Is more support needed for families around the time of the birth of a child or later, when the child is older?**

Our focus group respondents felt that support was most needed around the time of the birth and while the child was younger but felt support options should be in place at different stages of a child's development. They also felt options should be in place to support equal parenting of children.

**B. Should any incentives for fathers to take more responsibility for childcare focus on: a specific paternity entitlement; changes to the Shared Parental Leave and Pay scheme; or parental leave for older children?**

We believe incentives to support fathers with childcare should focus on both a specific paternity entitlement and changes to the shared parental leave and pay scheme to provide working parents with flexibility of options. Around a third of our survey respondents wanted to see reform to paternity leave and pay (34%) and Shared Parental leave and pay (33%), with far fewer thinking reform was needed to parental leave for older children (13%). We outline below (Q26) our recommendations to reforms to each policy.

**C. Should the Government give greater priority to the length of leave available or to the pay enhancements available?**

As with our response to this question in specific relation to paternity leave and pay, we think the Government needs to focus equally on length of leave and pay enhancements. Length of leave to allow sufficient time and pay enhancement to make that time spent affordable/ sustainable for the individuals taking up the policy.

**25: Should the Government prioritise reform of parental leave policies over other Government policies which support parents to combine work with family life?**

We think that the Government should place an equal focus on reform to parental pay and leave policies with a focus on other policies which support parents to combine work and family life. Each policy should work together to support parents to combine work with family life. This includes practices to encourage flexible working for all employees and improve transparency, tackling pregnancy and maternity discrimination and importantly reviewing the current childcare provision.

In the CIPD's 2016 guidance *Labour Market Focus on Working Parents* we asked our employer survey respondents the extent to which they think the participation rate of women with young children at work would improve if the same level of free childcare support were given for children aged up to two years alongside the current government

policy to give free childcare support for three- and four-year-olds. The overwhelming majority of respondents (68%) felt it would improve to either a large extent or some extent.

We believe that the Government and employers, should make every effort to retain new mothers in the workplace – once women leave the labour market it can become much harder for them to return to it at a later date and often if they do they are more likely to enter roles at a more junior level and with less money than they were previously on, thus contributing to the gender pay gap. We therefore recommend that the Government review its position on the current provision of free childcare between the ages of 0-2 to boost the participation of women and some men with young children at work.

**26: If you consider that the Government should prioritise reform of parental leave and pay policies, which policies are most important and why?**

As stated above, we think that the Government should place an equal focus on reform to parental pay and leave policies with a focus on other policies which support parents to combine work and family life.

We do, however, believe that the Government should make reforms to paternity leave and pay and the current shared parental leave scheme to maximise father's involvement in childcare, help support the participation rate of women with young children at work, help to reduce the gender pay gap and provide flexibility to working parents. Our respondents also show support for a single family set of leave entitlements with the caveat that that the government thoroughly consults with a diverse group of employers and employees on any proposed changes of this degree.

- Evidence from our survey with HR professionals, leads us to recommend that the Government should prioritise reform of paternity leave and pay and should consider introducing a period of between 4-8 weeks statutory paternity leave and pay. We would also recommend that at least 2 weeks of that time should be paid at a statutory enhanced rate (at 90% or 100% of a person's average weekly earnings (before tax)).

Our evidence also points to several reforms needed to the Shared Parental Leave Scheme. These include:

- Introducing an element of enhanced pay, for instance changing the rate of statutory pay for SPL within the first 6 weeks to be 90% of your average weekly earnings
- Reviewing the eligibility criteria for who can take SPL

- A dedicated pot of leave and pay for each parent which is not open to sharing, as well as a larger portion (e.g. 9 months) that can be shared
- Sharing control over the scheme rather than mothers/ parent one controlling how leave is taken
- Better communication of the policy by both the Government and HR
- Giving working parents early knowledge of the scheme (for instance sharing information when a mother collects a MatB1 form)

## **CIPD Recommendations**

### **A comprehensive suite of parental leave and pay policies recommendations:**

- We believe that it is necessary to balance the Government's helpful objectives around parental leave and pay policies with minimising the burdens on business, which are already substantial. Any reforms considered need to be properly consulted on with organisations and then piloted with lessons applied. They need to be easy to understand and to administer and well communicated.
- Our survey results show a willingness on behalf of employers to try out different approaches to parental leave and pay, such as the example of parental leave and pay provided in the country of Iceland. We would strongly recommend, however, that the government thoroughly consults with employers on any proposed changes of this degree, explores the pro's and con's and that some of the lessons from the low take-up of the shared parental leave scheme are learnt and applied, namely -:
  - Keep it simple
  - Provide clear and consistent communication to employers and employees
  - Ensure early knowledge of the scheme for employees
  - Include an element of enhanced pay for both parents
  - Keep the burdens on business to a minimum.
- We believe incentives to support fathers with childcare should focus on both a specific paternity entitlement and changes to the shared parental leave and pay scheme to provide working parents with flexibility of options. Our respondents also show support for a single family set of leave entitlements with the caveat that that the government thoroughly consults with a diverse group of employers and employees on any proposed changes of this degree.
- We believe the Government needs to focus equally on length of leave and pay enhancements available. Length of leave to allow sufficient time and pay enhancement

to make that time spent affordable/ sustainable for the individuals taking up the policy.

- We think that the Government should place an equal focus on reform to parental pay and leave policies with a focus on other policies which support parents to combine work and family life. Each policy should work together to support parents to combine work with family life. This includes practices to encourage flexible working for all employees and improve transparency, tackling pregnancy and maternity discrimination and importantly reviewing the current childcare provision.
- In particular, we recommend that the Government review its position on the current provision of free childcare between the ages of 0-2 to boost the participation of women with young children at work.
- We believe that the Government should prioritise reform of paternity leave and pay and the current shared parental leave scheme to maximise father's involvement in childcare, help support the participation rate of women with young children at work, help to reduce the gender pay gap and provide flexibility to working parents.

#### Paternity leave and pay recommendations:

- We recommend that there should be equal emphasis on paternity statutory pay and length of leave.
- We recommend that the Government consider introducing a period of between 4-8 weeks statutory paternity leave and pay. We would also recommend that at least 2 weeks of that time should be paid at a statutory enhanced rate (at 90% or 100% of a person's average weekly earnings (before tax)).
- Our respondents are more likely to agree (57%) than disagree (22%) that there should be a cap (upper limit) on statutory paternity pay for high earners. However, with no current cap on statutory maternity pay for high earners it does not seem equitable to introduce this just for paternity pay. We therefore do not recommend that such a cap should be introduced, currently.
- We recommend that the level of reimbursement relating to paternity leave and pay for employers should continue to vary according to their size.
- We recommend that greater flexibility should be introduced in the timing of taking paternity leave and that recipients be allowed to take the leave at any point in the first year of birth, but that they should be required to give appropriate notice to their

organisation, in order to arrange cover/ re-scheduling.

## Shared parental leave and pay recommendations:

- We believe that the shared parental leave and pay scheme would be more attractive to potential employees if there was a dedicated pot of leave and pay for each parent.
- We would recommend that parents share control over the SPL scheme because this would reinforce that it is a truly shared approach.
- We would recommend that there is an element of enhanced pay in the shared parental leave and pay scheme. Financial challenges are one of the top reasons cited for barriers to parents taking SPL so enhancement would certainly make this a more attractive offering. This would need to be balanced with what is affordable for organisations.

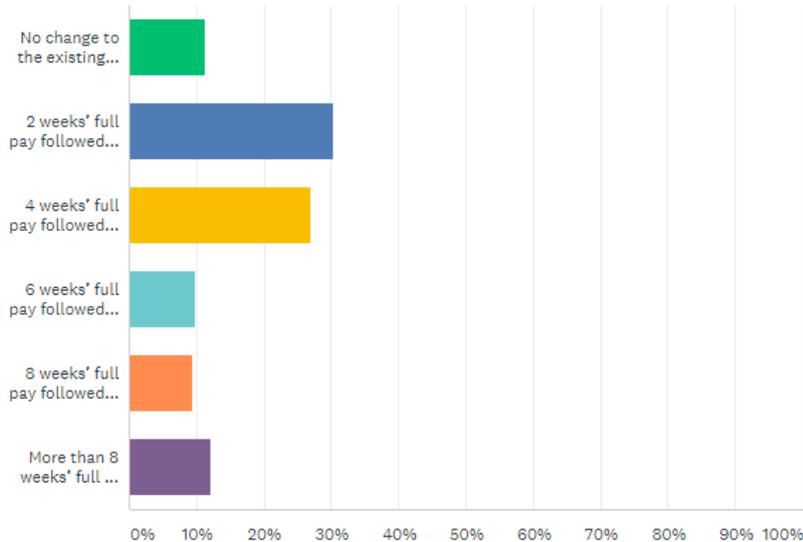
**References**

Birkett, H and Forbes, S (2018). Shared Parental Leave: Why is take up so low and what can be done? (1). Retrieved from: <https://www.birmingham.ac.uk/Documents/college-socialsciences/business/research/wirc/spl-policy-brief.pdf>  
 CIPD (2016) *Labour Market Focus on Working Parents* CIPD: London

**Appendix 1**

If the government were to introduce a mandatory enhanced paternity pay package for dads, what would a reasonable offering be?

Answered: 658 Skipped: 0



ANSWER CHOICES	RESPONSES
▼ No change to the existing paternity pay	11.25% 74
▼ 2 weeks' full pay followed by 2 weeks' statutory pay	30.40% 200
▼ 4 weeks' full pay followed by 4 weeks' statutory pay	26.90% 177
▼ 6 weeks' full pay followed by 6 weeks' statutory pay	9.88% 65
▼ 8 weeks' full pay followed by 8 weeks' statutory pay	9.42% 62
▼ More than 8 weeks' full pay followed by more than 8 weeks' statutory pay	12.16% 80
<b>TOTAL</b>	<b>658</b>